
**ANNUAL GENERAL MEETING (AGM) TO BE HELD ON 29 OCTOBER 2021 –
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM
SHAREHOLDERS**

The Board of Directors of Lum Chang Holdings Limited (the “**Company**”) refers to the Company’s announcement on 7 October 2021 on the alternative arrangements for the AGM, and in particular, to the invitation for shareholders to submit questions in advance of the AGM. The Company would like to thank shareholders for the questions submitted and wishes to provide its responses to the substantial and relevant questions received from the shareholders, as set out below:

BUSINESS OPERATIONSQuestion 1

Looking at the Cash Flow Statement, if I reverse out the Fair value gain/loss from investment properties and Financial Assets, FY2021 would be negative \$588 and FY2020 positive \$13,293. If I further reverse out Government Grants, the corresponding numbers would be negative \$7,467 and positive \$4,253.

Extract from Cash Flow Statement

	FY2021 (\$'000)	FY2020 (\$'000)
Net profit/(loss)	8,057	(6,107)
Fair value (gains)/losses on investment properties	(16,393)	17,327
Fair value loss on financial assets, at FVPL	7,748	2,073
	(588)	13,293
Government grants	(6,879)	(4,253)
Actual performance	(7,467)	4,253 ⁽ⁱ⁾

So, actually our performance for FY2020 was better than FY2021. Is this the reason why the company paid a huge special dividend this year to reward shareholders for the FY2020 performance?

Company’s response

⁽ⁱ⁾ After reversal of fair value losses from investment properties and financial assets, at FVPL, and further reversal of Government grants, the actual performance figure for FY2020 should read as \$9,040,000.

The Group has been paying out regular dividends for over two decades.

This special dividend was the Group’s effort to reward our shareholders, many of whom are long-time retail investors who have been loyal to the company for a number of years.

It is now clear that Covid-19 will remain with us for some time; yet, despite the current challenging climate, the Group remains resilient and continue to maintain business sustainability for long term growth.

Question 2

Our Total Debt to Equity is 0.952. Is this debt level sustainable?

Company's response

The Group's debt ratio is well within the covenants imposed in the Group's various banking and debt facilities. The Group also has healthy cash/bank balances of approximately S\$100 million (as at 30 June 2021). The Group's net debt ratio (after deducting cash/bank balances) is approximately 0.50 times which we consider to be within a healthy range.

BY ORDER OF THE BOARD

Tony Fong

Tan Eng Chan Gerald

Company Secretaries

28 October 2021